

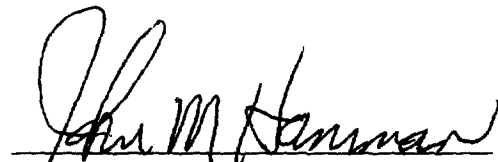
FCC DOCKET NO. 98-121

AFFIDAVIT OF JOHN M. HAMMAN

amount of local traffic. Finally, just in case these barriers to meaningful use of unbundled network elements were insufficient deterrents to new entrants, BellSouth has asserted that purchasers of such elements may face potential infringement liability unless they subject themselves to the delays and costs of negotiating with, and making discriminatory payments to, BellSouth's third party equipment vendors. In light of these significant obstacles to use of unbundled network elements, the Commission cannot conclude that BellSouth is complying with the second, sixth and thirteenth competitive checklist items.

FCC DOCKET CC NO. 98-121
AFFIDAVIT OF JOHN M. HAMMAN

I declare under penalty of perjury that the foregoing is true and correct.
Executed on July 31st, 1998.



John M. Hamman

Sworn to and subscribed to before me

this 31st day of July, 1998



Notary Public Notary Public Gwinnett County, Georgia
My Commission Expires March 14th, 1999

ATTACHMENT 1

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE:)
)
BELLSOUTH TELECOMMUNICATIONS, INC.'S) DOCKET NO.
ENTRY INTO LONG DISTANCE (INTERLATA)) 97-00309
SERVICE IN TENNESSEE PURSUANT TO)
SECTION 271 OF THE TELECOMMUNICATIONS)
ACT OF 1996)

TRANSCRIPT OF PROCEEDINGS

Tuesday, May 5, 1998

VOLUME I B

APPEARANCES:

For BellSouth: Mr. Guy M. Hicks
Mr. William J. Ellenberg, II

For AT&T: Mr. James P. Lamoureux

For MCI: Mr. Richard D. Melson
Ms. Susan Berlin

For TCG MidSouth, Inc.: Ms. D. Billye Sanders

For Consumer Advocate: Mr. Vance L. Broemel

For ACSI, SECA,
and Brooks: Mr. Henry Walker

For Sprint: Ms. Carolyn Tatum Roddy

For Intermedia, LCI,
and WorldCom: Mr. H. LaDon Baltimore

For NEXTLINK: Ms. Dana Shaffer
Mr. Henry C. Campen, Jr.

For BellSouth
Long Distance: Mr. Guilford F. Thornton, Jr.

Reported by:
Teri A. Campbell, RPR, CCR

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(May 5, 1998 - Volume I B)

WITNESS

PAGES

ALPHONSO J. VARNER:

Cross-Examination by Mr. Lamoureux 63 - 117

EXHIBIT

NUMBER

DESCRIPTION

PAGE

5	9/27/96 FCC Order on Reconsideration, CC Docket Nos. 96-98/95-185	108
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(The aforementioned cause came on to be heard on Tuesday, May 5, 1998, beginning at approximately 2:45 p.m., before Chairman Lynn Greer, Director Sara Kyle, and Director Melvin Malone, when the following proceedings were had, to-wit:)

ALPHONSO J. VARNER,
was previously called as a witness, and having been duly sworn, was continued to be examined and testified as follows:

CHAIRMAN GREER: Mr. Lamoureux, you're next. Your witness.

CROSS-EXAMINATION

BY MR. LAMOUREUX:

charge for intrastate access on toll calls made by AT&T's customers. Is that right?

A. No, we do not.

Q. All right. In the situation where AT&T is the local service provider using unbundled network elements and let's say that MCI is the interexchange carrier for that customer -- Okay? -- BellSouth is going to charge MCI for intrastate access, won't it?

A. Would you repeat your scenario? I got confused between which one was AT&T and --

Q. AT&T is the local service provider choosing unbundled network elements to provide that local service. MCI is the interexchange carrier for that customer. Okay? BellSouth is still going to charge MCI the intrastate access for toll calls made by that customer. Isn't that right?

A. No. We're going to -- we've decided that intrastate access would be charged by the IXE, and they're in the process of implementing that.

Q. By the IXE or by the local provider?

A. I'm sorry. The local provider to the IXE. Well, in this case, it would be -- AT&T would charge the access to MCI. They're in the process of implementing that.

Q. So when AT&T is the local service provider using UNEs, AT&T is the provider of access for both intrastate and interstate access?

A. AT&T will be billing the intrastate and interstate access. BellSouth will bill for the usage of the unbundled switch.

I assume you're talking about utilizing unbundled switching from BellSouth. So BellSouth would bill AT&T for the unbundled local switch usage and AT&T would in turn bill access, I guess, to MCI. I said we're in the process of implementing that.

Q. This is a change in BellSouth policy, is it not?

A. It's not a change in policy. It's a change in implementation.

Q. It's a change in the position that BellSouth has taken in the past, is it not?

A. Yes, it is.

Q. So you agree with Mr. Gillan's testimony that when AT&T is the unbundled network element local provider using the unbundled switch, AT&T is the provider of both interstate and intrastate access?

A. No, I don't. I agree that under the FCC's definition that they would be allowed to bill for both the interstate and intrastate access. BellSouth is willing to abide by that.

Q. So you don't agree with it, but you will implement it. Is that correct?

A. What we will do is implement what I said. We will implement the -- we'll implement the processes such that we will bill the switch usage, if you will, to AT&T, in your example, and AT&T will in turn bill the access to whoever the long distance carrier is.

ATTACHMENT 2

RECEIVED OCT 8 1997



225

Jill R. Williamson
Local Services Program Manager

Room 12255
Promenade I
1200 Peachtree St. NE
Atlanta, GA 30309
404 810-8562

October 3, 1997

Ms. Jo Sundeman
BellSouth Interconnection Services, Inc.
Suite 410
1960 West Exchange Place
Tucker, GA 30084

Jo,

As part of our Unbundled Network Elements Platform (UNE-P) test in the state of Kentucky, we have attempted to order 900 blocking and Call Hold on two of our participants lines. For the 900 blocking, we entered the appropriate TCIF code for 900 blocking in the TBE field and BellSouth indicated on its' Clarification Form that there is no such thing as TBE M. For the Call Hold Feature, we entered the appropriate feature code listed in the TCIF guidelines. BellSouth stated on its' Clarification Form that AT&T could not order Call Hold as a separate feature, that we have to order it as part of BellSouth's Prestige service.

I need for you to clarify BellSouth's rationale for not processing these orders as they were submitted. If BellSouth has further guidelines for ordering such features, please provide me with the appropriate documentation. If it is BellSouth's intention not to process these orders based on a BellSouth policy, please advise me of BellSouth's position.

I would appreciate your response in writing by Wednesday, October 8, 1997. If you have any questions, please call me on 404-810-8562.

Jill Williamson

cc: Jan Burriss
Pam Nelson
James Hill

ATTACHMENT 3

RECEIVED OCT 8 1997



BellSouth Interconnection Services
Suite 200
1880 West Exchange Place
Tucker, Georgia 30084

770 492-7550
Fax 770 492-9412

AT&T Regional Account Team

October 3, 1997.

Ms. Jill Williamson
AT&T
Room 12255, Promenade 1
1200 Peachtree St., NE
Atlanta, Georgia 30309

Jill:

This is in response to your letter dated today, October 3, 1997, regarding ordering 900 blocking and Call Hold in Kentucky.

The 900 blocking is accomplished with Customized Code Restriction in the Kentucky GSST Tariff A13.20.2 and A13.20.3 (CREX+ Option #4) which blocks both 976 and NPA 900. The 900 Blocking cannot be accomplished without also blocking 976.

Call Hold can be ordered in Prestige Communication Service (PCS) in the Kentucky GSST Tariff A12.16. Call Hold cannot be ordered as a stand alone feature and is either ordered with User Transfer/Conferencing (A12.16.3.B.4) or with User Transfer/Conferencing and Call Pickup (A12.16.3.B.5).

I hope this answers your questions and feel free to call me on 770-492-7582 if you have any other questions.

Thanks and a have a great day!



Jo Sundman

cc: Jan Burriss
Margaret Garvin
Pam Nelson
James Hill

ATTACHMENT 4



BellSouth Interconnection Services 770 482-7990
Suite 280 Fax 770 482-9412
1988 West Exchange Place
Tucker, Georgia 30084

AT&T Regional Account Team

November 3, 1997

Ms. Jill Williamson
AT&T
Promenade I, Room 12255
1200 Peachtree St., NE
Atlanta, Georgia 30309

Dear Jill:

This is in response to your letter dated October 8, 1997, regarding three Unbundled Network Elements Platform (UNE-P) test orders recently placed by AT&T in Kentucky; two requesting specific local switching features and one without features. It is the testing of the UNE-P that allows our companies to uncover issues and complications with these new services. BellSouth endorses the concept of testing services and functions prior to full implementation. BellSouth is pleased that AT&T initiated the testing of the UNE platform. The following is in response to your letter:

1. The order without any features was issued by BellSouth with an error in the Universal Service Order Codes (USOCs). This was corrected and the order was released.

It would be beneficial to both BellSouth and AT&T, if AT&T marked future UNE-P test orders as "Test Orders".

2. The orders with the features; one with the feature of Call Hold and a second with 900 Blocking, could not be processed since these features do not work independently. Call Hold must be ordered with User Transfer or with User Transfer and Call Pickup as part of Prestige services. 900 Blocking can only be ordered associated with 975 blocking through the use of CREX4.

BellSouth would like to thank AT&T for sharing this information with us. BellSouth is currently working on the technical issues that are limitations of the switch, however, following are two suggestions that may assist AT&T in the interim:

An alternative for the 900 blocking might be to create a Line Class Code (LCC) when you are developing these scenarios for your operator platforms.

For the Call Hold feature, AT&T could issue a Bone Fide Request (BFR) to create this feature if it is technically feasible and would work without User Transfer.

Thank you again for testing with us in Kentucky. I trust that the above information satisfies your concerns. Please feel free to contact me on 770-482-7582.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jo Sundman".

Jo Sundman

ATTACHMENT 5



Denise C. Berger
Business Manager
Local Services Organization

Room 12251
1200 Peachtree Street N.E.
Atlanta, Georgia 30309
404-810-8644
FAX 404-810-8477
EMAIL deberger@ems.att.com

March 5, 1998

Jan M. Burriss
Sales Assistant Vice President
BellSouth Interconnection Services
Suite 200
1960 West Exchange Place
Tucker, Georgia 30084

RE: March 11, 1998, Core Team Meeting

Dear Jan:

The purpose of this letter is to specify AT&T's expectations for the March 11, 1998, Core Team meeting and to review the outstanding action items. The March 11 meeting is a critical point on a number of the action items that have been ongoing since the first of the year and require closure. The Action Item Register is attached to this letter.

Jan, AT&T is concerned about BellSouth's failure to deliver on the action items we agreed upon at the February 11, 1998, Core Team meeting. As you'll note on the attached list, three items were originally discussed at the January 20 meeting and were due at our February 11 meeting. We are making no progress in moving issues forward at the Core Team level. We have virtually the same items on the agenda for the March 11 meeting as we did for the January 20 meeting and are no closer to resolving them now as we were two months ago. When we jointly agreed at the beginning of this year to implement the new Core Team structure, it was in an effort to bring issues to closure. At that time, AT&T specifically noted that we did not want the Core Team meetings to be a forum for "progress" reports. That is exactly where we are now. It appears that BellSouth is more interested in renegotiating the meeting calendar on agenda items than they are in actually resolving the issues.

AT&T requests that both parties deliver reports on each action item/agenda issue at the March 11, 1998, Core Team meeting. This would not be in the form of status only, but would include the following items in each report.

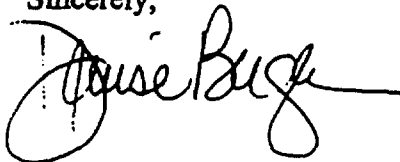
RE: March 11, 1998, Core Team Meeting

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- Description of the current deliverable. This will allow us to insure that there are no misunderstandings relative to the issue.
- The tangible actions that have been taken by the respective company to move the issue forward toward resolution.
- A final targeted resolution date that is 80% certain.

Please confirm as soon as possible that BellSouth will deliver on this request at the March 11, 1998, Core Team meeting. Without closure on the noted items, AT&T must weigh whether the Core Team process is an effective and efficient use of very limited AT&T resources.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise Bug", with a long horizontal flourish extending to the right.

cc: P. Nelson
Q. Sanders

**ACTION ITEMS
FROM THE
FEBRUARY 25, 1998, CORE TEAM MEETING**

ACTION ITEM	PERSON RESPONSIBLE	DUE DATE
1. BellSouth will deliver the plan for administering telephone numbers or at minimum the status on delivering the plan. (From 2/11/98 Core Team Meeting)	Jan Burriss	March 11, 1998
2. The outcome of the 2/25/98 Performance Team meeting and the detailed plan for getting to a one-hour turn-around on electronic rejects will be delivered to the Core Team members prior to the 3/11/98 Core Team meeting. (From 2/11/98 Core Team Meeting)	Jan Burriss Pam Nelson	March 11, 1998
3. BellSouth still needs to provide the medium for each type of notification to AT&T, i.e., Electronic mail, letter, etc. A joint meeting will be held March 10 to review.	Jan Burriss	Original Due Date: February 25, 1998 Re-negotiated for March 9, 1998
4. BellSouth owes a response to the Region-wide UNE test plan delivered to Greg Kirby by Jim Hill.	Jan Burriss	February 27, 1998
5. BellSouth owes a response to the 2/13/98 Ray Crafton letter to Scott Schaefer regarding BellSouth's capability to provide electronic ordering of UNEs.	Jerry Hendrix	February 27, 1998
6. BellSouth owes a response to AT&T's request for access to features switches in selected geographic locations across the region. BellSouth will also include business guidelines for making features available and will provide AT&T with 5E and DMS-100 switch documentation.	Jan Burriss	March 6, 1998
7. Both parties will meet to resolve the issues around the UNE billing.	Jan Burriss Pam Nelson	February 27, 1998
8. BellSouth still owes proposed language in response to the Alabama complaint	Mary Jo Peed	February 25, 1998

to Roger Briney.		
9. BellSouth owes a response to AT&T's request for a proposal on inside wire installations and maintenance.	Jan Burriss	March 6, 1998
10. BellSouth owes a response to AT&T's letter regarding 8YY issues and database dipping.	Susan Arrington Jerry Hendrix	March 4, 1998
11. BellSouth will follow-up on the status of ASR orders for North Carolina and Tennessee and the due dates for the trunk groups in Tennessee and North Carolina. Additionally, BellSouth will look at their order review process to see why orders are rejecting for only one reason instead of all errors on the order.	Jan Burriss	March 11, 1998

ATTACHMENT 6

**BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION**

In the Matter of:

Consideration of BellSouth Telecommunications,
Inc.'s Services Pursuant to Section 271 of the
Telecommunications Act of 1996

)
)
)

Docket No. 6863-U

BellSouth Telecommunications, Inc.'s Statement of
Generally Available Terms and Conditions Under
Section 252(f) of the Telecommunications Act
of 1996

)
)
)
)

Docket No. 7253-U

**AT&T COMMUNICATIONS OF THE SOUTHERN STATES' COMMENTS
ON BELL SOUTH'S NOTICE OF INTENT TO FILE AN APPLICATION
WITH THE FEDERAL COMMUNICATIONS COMMISSION FOR
AUTHORIZATION TO PROVIDE INTERLATA SERVICES IN GEORGIA**

Dated: June 15, 1998

approximately 1000 features to residential and business customers. BellSouth, however, has stated that it will offer only those vertical features that it provides to its own retail customers. (*Id.*) This prohibits CLECs from making use of the inherent capabilities of the switch to provide new services or features to customers.

In addition, BellSouth restricts the ability of CLECs that have purchased local switching from BellSouth to bill access charges by failing to provide information on terminating usage. At the previous SGAT hearings in this docket, BellSouth took the position that CLECs purchasing UNE combinations would not be permitted to bill or collect intrastate access charges. (Hamman Aff. ¶ 21.) BellSouth acknowledged in a hearing before the Tennessee Regulatory Authority in May, 1998 that CLECs purchasing unbundled network elements would be allowed to collect intrastate access charges. (*Id.*) BellSouth also admitted, however, that currently it is not capable of providing the details to allow CLECs to bill such access for terminating traffic. (*Id.*)

Finally, BellSouth has not made clear -- in its SGAT, interconnection agreements or regulatory proceedings -- that it will provide unbundled local switching without forcing CLECs to engage in the costly and unnecessary process of negotiating individual, right-to-use agreements for each of the features and functionalities of the switch. Clarification of this issue is essential in light of the position BellSouth has taken before the FCC that third party intellectual property rights are implicated in the sale of unbundled network elements. *Petition of MCI for Declaratory Ruling*, CCBPol 97-4, CC Docket No. 96-98, BellSouth Reply Comments at 3 (May 6, 1997). For example, although AT&T's interconnection agreement with BellSouth does not contain any requirement that AT&T negotiate intellectual property licenses with a third party, AT&T is concerned that BellSouth may "sandbag" AT&T with such a condition once AT&T attempts to order unbundled local switching in commercially significant volumes.

ATTACHMENT 7



Stephen C. Garavito
General Attorney

Room 3252G1
295 North Maple Avenue
Basking Ridge, NJ 07920
908 221-8100
FAX 908 953-8380

July 7, 1997

Via Facsimile (504-528-2948)

Victoria K. McHenry, Esq.
General Counsel - Louisiana
BellSouth Telecommunications, Inc.
Suite 3060
365 Canal Street
New Orleans, Louisiana 70130-1102

Re: BellSouth Application to the FCC for InterLATA Authority

Dear Ms. McHenry:

This responds to your letter dated July 2, 1998 in which you asked whether AT&T and BellSouth could narrow the disputed issues that would be raised by a BellSouth Section 271 application to the FCC for in-region interLATA authority in Louisiana.

As you know, AT&T and BellSouth have participated, or are currently participating, in Section 271 proceedings in nine states. BellSouth thus is aware of AT&T's disagreement with BellSouth regarding BellSouth's compliance with key requirements of the Telecommunications Act. Nevertheless, AT&T is always interested in narrowing or resolving disputes, where possible. For this reason, I have set forth a list of disputed issues. If I have in any way misstated BellSouth's position or the underlying facts, or if BellSouth is willing to revisit its position on these issues, please let me know in writing before BellSouth applies to the FCC.

This list will also serve to put BellSouth on notice as to the issues AT&T intends to raise in its comments on BellSouth's application, absent clarification from you in response to this letter. Please note also that the FCC requires that any BellSouth application be complete when filed and "include all of the factual evidence" and legal arguments which BellSouth believes support its position.¹ In the event that BellSouth

¹ Revised Procedures for Bell Operating Company Applications under Section 271 of the Communications Act, FCC 97-330 (rel. Sept. 19, 1997), p. 2.



Victoria K. McHenry, Esq.
July 7, 1997
Page 2

refrains from addressing in full these issues in its initial application, and defers submission of facts and argument until its reply, thereby depriving AT&T of an opportunity to respond, AT&T will consider all appropriate remedies, including the filing of a motion to strike.

Track A/Track B

1. BellSouth has received interconnection requests from potential providers of facilities-based local exchange service to business and residential customers. Further, the Louisiana Public Service Commission has not certified that any such potential provider has failed to negotiate in good faith or failed to comply within a reasonable period of time with an implementation schedule in an applicable interconnection agreement. See 47 U.S.C. § 271(c)(2)(b). BellSouth therefore is precluded from seeking in-region interLATA authority under "Track B."

2. There is no non-PCS carrier providing facilities-based local exchange service to residential customers in Louisiana today.

Combinations of Network Elements

1. BellSouth has taken the position in Louisiana, and throughout its nine-state region, that it will physically take apart existing combinations of unbundled network elements, such as a loop/port combination, and provide the individual elements to the CLEC for the CLEC to combine.

2. The only method BellSouth will make available for CLECs to combine elements is through collocation. BellSouth will not permit CLECs to have direct access to BellSouth's main distribution frame, nor will BellSouth provide CLECs the ability to logically separate and recombine network elements through the recent change process of the unbundled local switch.

3. BellSouth's position is that it may choose to negotiate a voluntary arrangement with a CLEC to combine separated network elements (or to leave the elements together), but BellSouth has no obligation to do so. If BellSouth agrees to such an arrangement, it will charge the CLEC for taking apart and putting back together the unbundled network element combination (or for leaving the elements together), at whatever rates BellSouth deems appropriate, without regard to Sections 251(c) and 252(d).

Victoria K. McHenry, Esq.

July 7, 1997

Page 3

Unbundled Local Switching

1. BellSouth has taken the position in certain regulatory proceedings that it will no longer impose interstate and intrastate access charges where a CLEC is providing service using unbundled local switching – either alone, or in combination with other BellSouth network elements, e.g., a loop/port combination. It is not clear that this is BellSouth's position in Louisiana. In all events, BellSouth has not yet developed or implemented the capability to provide the terminating usage information required by CLECs to bill for terminating intrastate access.

2. BellSouth's position is that CLECs providing local service through unbundled network elements are not entitled to collect reciprocal compensation. Further, BellSouth does not have the current capability to provide terminating usage information required by such CLECs to bill for reciprocal compensation.

3. BellSouth does not permit CLECs using unbundled local switching to offer vertical features inherent in the switch except to the extent that BellSouth offers such features to retail customers. For example, if BellSouth has not activated a particular feature in the switch, a CLEC must negotiate with BellSouth as part of the bona fide request (BFR) process to have that feature available to the CLEC's customers. Similarly, if BellSouth offers two features only as a bundle, a CLEC cannot activate one of the features, except through the BFR process, which imposes uncertainty, additional time and additional expense.

4. In Louisiana, BellSouth does not offer a line class code (LCC) means of customized routing of CLEC traffic to the CLEC's operator services and directory assistance platforms. Testing of BellSouth's proposed AIN-based routing architecture in Georgia reveals that it imposes significant post-dial delay.

5. BellSouth has not made clear whether it will require purchasers of unbundled local switching to negotiate individual intellectual property licenses or similar arrangements with switch manufacturers and software vendors. In all events, whether or not BellSouth imposes this requirement as a precondition to providing access to unbundled network elements, BellSouth will not warrant that CLECs may use such network elements in the same manner as BellSouth, without being subject to infringement claims by BellSouth's equipment vendors.

Victoria K. McHenry, Esq.
July 7, 1997
Page 4

Operational Support Systems (OSS)

1. In its order released June 4, 1998, the Georgia Public Service Commission identified significant deficiencies with the access that BellSouth provides to its OSS, and found that the implementation of Application Program Interface (API) for pre-ordering and ordering, currently scheduled for December 1998, would resolve most of these concerns.

2. Significant problems have arisen in the implementation of EDI 7.0, which have caused numerous AT&T orders to be rejected. This problem has been exacerbated by BellSouth's refusal to continue "work-arounds" mutually agreed upon by BellSouth and AT&T to process orders using EDI 6.0 and BellSouth's introduction of "fatal errors" which cause orders that previously would have fallen out for manual processing by BellSouth to be rejected. Examples of critical failures of BellSouth's EDI 7.0 implementation are:

- Continual revision of business rules associated with directory listing orders such that orders cannot be sent electronically. This problem is scheduled for resolution no earlier than July 24, 1998.
- Failure to implement AT&T-proposed, and OBF-compliant, procedures in EDI 7.0 that would permit electronic (or manual) ordering of number portability for less than all of an existing BellSouth customer's numbers, i.e., "partial migration" problems. This problem was created by BellSouth's insistence on non-OBF compliant information in the ordering fields and compounded by BellSouth's elimination of a "work-around" that was used successfully with EDI 6.0. This problem still exists today, and AT&T cannot submit such partial migration orders either electronically or manually.
- BellSouth's failure to provide timely assistance to AT&T in resolving customer-affecting problems caused by BellSouth's last-minute changes in business rules. For example, on May 14, 1998 – the day before AT&T was to roll-out new features of AT&T Digital Link service – BellSouth changed its business rules resulting in AT&T orders being treated as fatal errors. AT&T requested an immediate meeting with BellSouth subject matter experts, but they would not even meet with AT&T until 26 days later on June 9, 1998.

3. BellSouth shut down EDI 6.0 on June 16, 1998, before the "bugs" in EDI 7.0 could be identified and resolved. As a result, AT&T lost the ability to use the work-arounds and other processes it knew would work with EDI 6.0, yet is unable to use